

Message Text

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PAGE 01 TEGUCI 05786 132146Z
ACTION ARA-10

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E.O. 11652: N/A
TAGS: EINV, PINT, HO
SUBJECT: GOH EXPROPRIATION OF UNITED BRANDS LAND

REF: (A) STATE 299716, (B) TEGUCIGALPA 5765

1. WHILE ATTENDING GRADUATION CEREMONY AT VALLE DE ANGLES
ARTISAN AND VOCATIONAL SCHOOL DECEMBER 11, ECONMIN VICENTE DIAZ
BROACHED WITH ME SUBJECT OF EXPROPRIATION OF UNITED BRANDS (UB)
LAND BY THE AGRARIAN REFORM INSTITUTE (INA). I SAT NEXT TO DIAZ
AND FINMIN PROFIRIO ZAVALA DURING CEREMONY.

2. DIAZ GAVE THE FOLLOWING ACCOUNT OF DEVELOPMENT SUBSEQUENT
MY CONVERSATIONS WITH UB MANAGER ARAGON AND INA DIRECTOR SANDOVAL,
REPORTED REF B. AFTER MY CALL ON SANDOVAL HE WENT TO CHIEF OF
STATE GENERAL MELGAR TO ADVISE HIM OF MY EXPRESSIONS OF INTEREST
IN THE CASE. MELGAR THEN DIRECTED THAT A CABINET-LEVEL COMMISSION
BE ESTABLISHED TO NEGOTIATE FULLY WITH UB TERMS OF SETTLEMENT.
COMMISSION COMPRISED OF MINISTERS OF NATURAL RESOURCES, ECONOMY,
AND FINANCE, PRESIDENT OF CENTRAL BANK AND DIRECTOR OF HONDURAN
BANANA CORPORATION (COHBANA). DIAZ CHARACTERIZED COMMISSION AS
"FRIENDLY" AND SAID IT WOULD GIVE UB AMPLE TIME TO PRESENT ITS
CASE AND WOULD GIVE IT FULL AND FAIR CONSIDERATION. HE EXPRESSED
HOPE THAT PRELIMINARY MEETINGS WITH UB OFFICERS COULD BEGIN IN
NEXT SEVERAL DAYS AND THAT AN EARLY DATE COULD BE SET (PREFER-
ABLY BEFORE JANUARY) FOR UB PRESIDENT WALLACE W. BOOTH TO PARTICI-
PATE IN NEGOTIATIONS AND THERBY BRING THEM TO EARLY CONCLUSION.
COMMENTING ON REPORT THAT BOOTH WAS CONSIDERING EARLY JANUARY
TIMING FOR SUCH A TRIP, DIAZ SAID IT WOULD BE DIFFICULT TO WAIT
THAT LONG. HE ADDED THAT INA WAS UNDER PRESSURE TO MOVE AHEAD
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PAGE 02 TEGUCI 05786 132146Z

WITH THE EXPROPRIATION PROCEEDINGS, BUT WOULD HOLD OFF INITIATING

THEM FOR THREE WEEKS. HE CAUTIONED THAT UB AVOID GIVING THE
IMPRESSION OF "DRAGGING ITS FEET."

3. ARAGON OF UB INFORMED ME THIS MORNING THAT HE MET WITH ABOVE-
MENTIONED COMMISSION AT CENTRAL BANK IN LATE AFTERNOON DECEMBER
10. PREPARATIONS WERE MADE AT THAT TIME FOR MEETINGS DECEMBER
16 AND 17 BETWEEN COMMISSION AND UB TEAM HEADED BY GENERAL
COUNSEL MATHIS, ARRIVING EVENING DECEMBER 15.
BECKER

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